

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street #100
Sacramento, California 95814
(916) 874-7458

August 4, 2010

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Legislative Update

CONTACT: Don Lockhart, AICP, Assistant Executive Officer (916) 874-2937

RECOMMENDATION

Information only, no action is recommended.

SUMMARY

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters.

An ad-hoc committee appointed by the CALAFCO Board of Directors has considered and adopted positions on several bills, (Please see below.)

Staff will continue to track the bills, in collaboration with CALAFCO, and report back to the Commission.

PENDING LEGISLATION

**CALAFCO Daily Legislative Report
as of 7/29/2010**

AB 419 (Caballero D) Local government: change of organization or reorganization: elections.

Current Text: Chaptered: 7/7/2010 [pdf](#) [html](#)

Introduced: 2/23/2009

Last Amended: 5/17/2010

Status: 7/7/2010-Chaptered by Secretary of State - Chapter 35, Statutes of 2010.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would beginning January 1, 2011, require the board of supervisors or the city council to take action, to order and place the item on the ballot, within 45 days of notification by the local agency formation commission, and would require the elections official to place the item on the ballot at the next regular election if the board of supervisors or the city council fails to take action within 45 days of the notification. This bill would also make conforming changes.

Attachments:

[CALAFCO Support Letter](#)

[Request for Governor's Signature](#)

Position: Support

Subject: CKH General Procedures

CALAFCO Comments: This bill was a gut-and-amend to specify that a Board or Council has 45 days to place an item on the next general election ballot when requested by a LAFCo. Current law does not specify the number of days nor state what happens if the item is not placed on the ballot. If the Board or Council does not act within 45 days it requires the election official to place the item on the next General Election ballot. Adds a requirement that LAFCo must notify the election official as well as the Board or Council of an item to be placed on the ballot. It provides clarity to the process.

AB 853 (Arambula I) Local government: organization.

Current Text: Amended: 7/1/2010 [pdf](#) [html](#)

Introduced: 2/26/2009

Last Amended: 7/1/2010

Status: 7/15/2010-Withdrawn from committee. Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

8/2/2010 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, KEHOE, Chair

Summary:

Would require a board of supervisors, within 180 days of receiving a petition to apply for annexation to a city or reorganization that includes an annexation to a city, to adopt a resolution of application for an annexation to a city or reorganization that includes an annexation to a city if the affected territory meets specified conditions, thereby imposing a state-mandated local program. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Concern](#)

[Letter of Opposition](#)
[CALAFCO Analysis of Concerns with Amended Bill](#)
[CALAFCO Watch Letter - 28 July 2010](#)

Position: Watch

Subject: Annexation Proceedings, Service Reviews/Spheres, Environmental Justice, Municipal Services

CALAFCO Comments: This bill has been significantly amended several times. In the current 1 July 2010 version it requires LAFCoS to identify disadvantaged inhabited communities when performing sphere reviews or updates of local agencies. In addition to identifying the communities, the bill requires LAFCo to inventory any water, wastewater or fire protection infrastructure deficiencies in those communities. It allows LAFCo discretion in identifying the size of a disadvantaged inhabited community. The bill also provides a mechanism for residents to petition a Board of Supervisors to be annexed to a city if they are within an existing city SOI. It requires the Board to send a resolution to LAFCo for the annexation and be responsible for the application costs. The bill takes effect on 1 July 2011. It creates an unfunded mandate for LAFCoS by requiring this additional information. Those costs will have to be absorbed within a LAFCo budget and will likely result in an increased LAFCo allocation from cities, counties and special districts. Nonetheless the Legislative Committee felt that significant changes have been made in the bill to address the majority of CALAFCO concerns and changed the position to WATCH.

AB 1668 **(Knight R) Local government: city councils.**

Current Text: Chaptered: 7/7/2010 [pdf](#) [html](#)

Introduced: 1/20/2010

Last Amended: 5/24/2010

Status: 7/7/2010-Chaptered by Secretary of State - Chapter 38, Statutes of 2010.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would require the city council to, within 60 days of a vacancy in an elective office, fill that vacancy by appointment or call a special election to fill the vacancy, as specified. This bill contains other related provisions and other existing laws.

Attachments:

- [CALAFCO Support Letter](#)
- [Request for Governor's Signature](#)

Position: Support

Subject: Incorporation Proceedings

CALAFCO Comments: This bill is nearly identical to AB 18 introduced by Assembly Member Knight in 2009. In addition to specifying the number of days a city council has to fill a vacancy, it clarifies the number of seats up for election at the first election following incorporation. CALAFCO supported AB 18. That bill was vetoed by the Governor because he felt current law was adequate on number of days to fill a vacancy. His veto was silent on number of seats at the first election. CALAFCO has also included the seats up for election as an Assembly Omnibus Bill item.

AB 1668 has been amended several times to make in consistent with both the Assembly and Senate Local Government committees omnibus bills. The author has been in discussions with the Governor's office to help insure a signature should it pass. If both AB 1668 and AB 2795 (Assembly Omnibus Bill) pass, their language will be subject to double-jointing by Legislative Counsel.

AB 1859 **(Norby R) Local government: change of organization or reorganization.**

Current Text: Amended: 4/8/2010 [pdf](#) [html](#)

Introduced: 2/12/2010

Last Amended: 4/8/2010

Status: 4/23/2010-Failed Deadline pursuant to Rule 61(b)(5). (Last location was L. GOV. on 4/21/2010)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary:

Would include within a local agency formation commission' s powers the power to approve, disapprove, or approve conditionally, a request by a redevelopment agency to establish, extend, or expand a project area. The bill would include within the definition of "change of organization" a proposal to establish, extend, or expand a project area, and would define the term "project area." By expanding a local agency formation commission's duties, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Annexation Proceedings

CALAFCO Comments: This bill would have placed Redevelopment Agency Project Areas under CALAFCO review. It added to LAFCo the power to review and approve, deny or conditionally approve a new project area or the expansion of an existing project area. It died in Committee.

AB 2795 (Committee on Local Government) Local government: organization.

Current Text: Chaptered: 7/7/2010 [pdf](#) [html](#)

Introduced: 3/24/2010

Last Amended: 5/27/2010

Status: 7/7/2010-Chaptered by Secretary of State - Chapter 47, Statutes of 2010.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary:

Would define "divestiture of power" as used in the act and would make additional changes to clarify and maintain the consistency of the act. This bill contains other related provisions and other existing laws.

Attachments:

- [CALAFCO Support Letter](#)
- [CALAFCO Support Letter for Senate](#)
- [Request for Governor's Signature](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the Assembly Local Government Committee Omnibus bill. The bill is prepared and sponsored by CALAFCO and makes technical, non-significant changes to C-K-H.

SB 194 (Flores D) Community Equity Investment Act of 2010.

Current Text: Amended: 6/15/2010 [pdf](#) [html](#)

Introduced: 2/23/2009

Last Amended: 6/15/2010

Status: 7/1/2010-From committee: Do pass as amended. (Ayes 7. Noes 2.) (Heard in committee on June 30.)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Calendar:

8/2/2010 #32 ASSEMBLY SENATE SECOND READING FILE

Summary:

Would enact the Community Equity Investment Act of 2010. The bill would make legislative findings and declarations relating to disadvantaged, unincorporated communities. The bill would specify how funds received pursuant to the federal State Community Development Block Grant Program are expended at the local government level and would impose various requirements on a city or county in receipt of those funds that would, among other things, ensure the representation and participation of citizens of disadvantaged unincorporated communities .

Attachments:

[CALAFCO Letter of Interest](#)

Position: Watch

Subject: Municipal Services, Planning

CALAFCO Comments: This bill is intended to provide municipal services and infrastructure investment to disadvantaged unincorporated communities. The bill would direct Federal State Community Development Block Grants (CDBG) towards infrastructure improvements in disadvantaged communities within cities and the unincorporated county. It requires the creation of a citizens advisory panel on the use of funds and notification of residents in disadvantaged communities of the availability of funds and to encourage input on their use.

SB 894 (Committee on Local Government) Local Government Omnibus Act of 2010.

Current Text: Amended: 6/7/2010 [pdf](#) [html](#)

Introduced: 1/25/2010

Last Amended: 6/7/2010

Status: 7/1/2010-From committee: Do pass, but first be re-referred to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 9. Noes 0.) Re-referred to Com. on APPR. (Heard in committee on June 30.)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

8/4/2010 9 a.m. - State Capitol, Room 4202
ASSEMBLY APPROPRIATIONS, FUENTES, Chair

Summary:

Would repeal this requirement. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Annexation Proceedings, CKH General Procedures

CALAFCO Comments: This is the Senate Local Government Committee Omnibus Bill. It contains two items related to LAFCo: 1) clarifies the statute of limitations for challenges to a LAFCo city boundary change and eliminates an antiquated conflicting section; and 2) cleans up language in various local government laws to clarify that judges can resolve land use and environmental lawsuits through mediation before it goes to trial.

AB 155 (Mendoza D) Local government: bankruptcy proceedings.

Current Text: Amended: 6/1/2010 [pdf](#) [html](#)

Introduced: 1/26/2009

Last Amended: 6/1/2010

Status: 6/14/2010-To inactive file on motion of Senator DeSaulnier.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would provide that a local public entity may only file under federal bankruptcy law with the approval of the California Debt and Investment Advisory Commission, except as specified.

Position: None at this time

Subject: Financial Viability of Agencies

AB 711 (Calderon, Charles D) Local agency formation commissions: cost of incorporation proceedings.

Current Text: Chaptered: 6/7/2010 [pdf](#) [html](#)

Introduced: 2/26/2009

Last Amended: 4/22/2010

Status: 6/7/2010-Chaptered by the Secretary of State, Chapter Number 25, Statutes of 2010

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Would transfer \$45,000 from the Environmental Enhancement and Mitigation Program Fund to the General Fund, and appropriate that amount from the General Fund to the Controller for allocation to the Los Angeles County Local Agency Formation Commission for a loan to the East Los Angeles Residents Association, as specified. The bill would make findings and declarations regarding the need for a special statute. This bill contains other related provisions.

Position: Watch

Subject: Incorporation Proceedings

CALAFCO Comments: This would be the first time legislation has been introduced to provide funds for the State Controller to allocate to fund incorporation studies as provided in CKH. The legislation is specific that the process must be consistent with CKH law.

SB 896 (Cox R) Local government: organization.

Current Text: Introduced: 1/25/2010 [pdf](#) [html](#)

Introduced: 1/25/2010

Status: 6/4/2010-Failed Deadline pursuant to Rule 61(b)(11). (Last location was RLS. on 2/4/2010)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 defines various terms for purposes of the act, including, among others, "affected city." This bill would make a technical, nonsubstantive change to this definition.

Position: Watch

Subject:

CALAFCO Comments: This appears to be a placeholder bill.

SB 1023 (Wiggins D) Special districts: consolidation and reorganization.

Current Text: Chaptered: 7/9/2010 [pdf](#) [html](#)

Introduced: 2/11/2010

Last Amended: 4/27/2010

Status: 7/9/2010-Chaptered by Secretary of State - Chapter 68, Statutes of 2010.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Summary:

Would until January 1, 2018, authorize the local agency formation commission to approve or conditionally approve an expedited reorganization of specified districts into a community services district, with the same powers, duties, responsibilities, obligations, liabilities, and jurisdiction of the district proposed to be dissolved, unless the governing body of the district proposed to be dissolved files a resolution of objection with the commission, as specified. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Special District Consolidations

CALAFCO Comments: This bill provides an expedited process for the conversion of Resort Improvement Districts and select Municipal Improvement Districts to Community Service Districts or a Recreation and Park District. CALAFCO and the affected LAFCOs and districts have been consulted on this legislation.

SB 1174 (Wolk D) Land use: general plan: Future Sustainable Communities Pilot Project.

Current Text: Amended: 6/24/2010 [pdf](#) [html](#)

Introduced: 2/18/2010

Last Amended: 6/24/2010

Status: 7/1/2010-From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 6. Noes 3.) Re-referred to Com. on APPR. (Heard in committee on June 30.)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

Calendar:

8/4/2010 9 a.m. - State Capitol, Room 4202
ASSEMBLY APPROPRIATIONS, FUENTES, Chair

Summary:

Would establish the Future Sustainable Communities Pilot Project. The bill would authorize a city or county with a disadvantaged unincorporated community, as defined, inside or near its boundaries to apply to the Strategic Growth Council, as specified, to receive the financial assistance necessary to update its general plan to facilitate the transformation of the disadvantaged unincorporated community into a sustainable community. The bill would require the Strategic Growth Council to choose 5 cities and 5 counties with a disadvantaged unincorporated community inside or near their boundaries to receive financial assistance. The bill would require, upon receipt of the financial assistance from the council, the city or county to review, prepare, and adopt amendments to one or more elements of its general plan, as necessary to include data and analysis, goals, implementation measures, policies, and objectives to address the presence of unincorporated island, unincorporated fringe, or unincorporated legacy communities, as respectively defined, inside or near its boundaries, and to incorporate into the general plan specified purposes relating to the establishment of sustainable communities. The bill would also require the updated general plan to include specified information. This bill would further require the city or county to make a diligent effort to involve all members of the public in preparing the review and update of the general plan. This bill contains other existing laws.

Position: Watch

Subject: Annexation Proceedings, Service Reviews/Spheres, Growth Management, Environmental Justice, Planning

CALAFCO Comments: As amended in June, this bill directs the Strategic Growth Council to fund up to ten pilot planning projects for disadvantaged communities. These projects include general plan updates identifying how the infrastructure in the community would be brought up to contemporary standards. Five cities and five counties could apply to be pilot projects.

SB 1232 (Romero D) Municipal incorporation: Los Angeles Local Agency Formation Commission.

Current Text: Amended: 4/13/2010 [pdf](#) [html](#)

Introduced: 2/19/2010

Last Amended: 4/13/2010

Status: 5/7/2010-Failed Deadline pursuant to Rule 61(b)(6). (Last location was L. GOV. on 4/15/2010)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary:

Would require the East Los Angeles Residents Association, by October 29, 2010, to deposit any funds required by the Los Angeles County Local Agency Commission to complete a comprehensive fiscal analysis as a condition to continuation of the current petition for a change of organization. The bill would also require any signatures that were submitted with the petition to continue to be considered valid through October 29, 2010, and after that date if the petition proceeds and is accepted for filing. This bill contains other related provisions.

Position: None at this time

Subject: Incorporation Proceedings

AB 300 (Caballero D) Subdivisions: water supply.

Current Text: Amended: 6/30/2009 [pdf](#) [html](#)

Introduced: 2/17/2009

Last Amended: 6/30/2009

Status: 7/7/2009-In committee: Set, first hearing. Testimony taken. Further hearing to be set.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

Summary:

Would require, until January 1, 2017, the public water system, or the local agency if there is no public water system, to review, verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water system would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. This bill would provide that a water supply assessment completed, as specified, satisfies the existing requirement of verifying sufficient water supply, unless the public water system receives specified new information. The public water system would be required to determine the projected water savings attributable to the voluntary demand management measures that will be incorporated into the subdivision. The projected water savings would be required to be calculated using specified data compiled or maintained by the public water system or the water savings projections adopted by the California Urban Water Conservation Council. If a project applicant proposes to use a new voluntary water demand management measure for which neither the California Urban Water Conservation Council nor the public water system has adopted an estimate or method to calculate the projected

water savings of the proposed voluntary demand management measure, the projected water savings would be required to be made based on documented methodologies or calculations submitted in the record. Five years after the project has been fully developed, the public water system would be required to include within its next urban water management plan a report on the monitoring and compliance of voluntary water demand management measures and to determine, if practicable based on readily available information, whether they have resulted in the water savings necessary to achieve the agreed upon water demand offsets. The bill would also require the public water system to document the measured annual water use of the subdivision in comparison to the projected demand associated with the subdivision, and to calculate the water savings attributable to the voluntary mitigation measures financed by the Voluntary Water Demand Mitigation Fund for the subdivision. If the public water system bases its written verification of a sufficient water supply for the subdivision, in whole or in part, on the use of voluntary demand management measures within the subdivision, the written verification would be required to be conditioned on the maintenance and operation of the voluntary demand management measures, or measures that are at least as water efficient, as agreed to by the applicant and the public water system, and the recordation as a covenant running with the land for the lots within the subdivision. The bill would provide that by acceptance of a deed to a lot, each purchaser would acknowledge the obligation to comply with the voluntary demand measures for the lot as described in the covenant. These covenants would be authorized to be enforced pursuant to the existing authority of a public water system. The bill would further require a builder, prior to the close of escrow, to give a purchaser information that would be required to be included in a maintenance manual that informs the purchaser of the existence of the home's unique water saving devices, including specified information. The bill would also encourage the public water system to commit to carrying out the water conservation measures funded by the Voluntary Water Demand Mitigation Fund within 24 months of the sale of the last unit of the proposed subdivision. The bill would require the public water system to choose water conservation measures that are the most cost-effective means to yield water savings. The bill would authorize expenditures from the fund to be made within the subdivision or elsewhere within the service area of the public water supplier, at its discretion. Not less than 40% of the proceeds from the voluntary water demand mitigation fund would be required to be directed to water conservation programs in any disadvantaged community, unless the public water system makes a specified finding. By adding to the duties of the public water system, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: None at this time

Subject: Service Reviews/Spheres, Water

CALAFCO Comments: Requires the preparation of a water assessment report for projects which reduce water consumption, which requires consultation with affected agencies, including LAFCo.